

ILLINOIS INTERNATIONAL PORT DISTRICT

Summary Record of Proceedings of the REGULAR BOARD MEETING March 19, 2019

The Regular meeting of the Board of Directors of the Illinois International Port District and Committee meetings were held Tuesday, March 19, 2019, at 3600 E. 95th Street, Chicago, Illinois.

The roll was called at 8:45 am. The following Directors were present: Terry Fitzmaurice, Ray Suarez, Aaron Del Mar, Charles Bowen, Henry Wisniewski, Paul Chialdikas, and William Habel. A quorum was present. Terry Sullivan was absent. Michael Forde entered the meeting at 8:50 am.

Also present: Clayton Harris III, Executive Director; Counsel Brad Smith, Neal and Leroy; Kurt Oelerich, Treasurer.

General public present: Steve Ostrowski, Senior Vice President, JLL; Alex Moore, Managing Director, Loop Capital; Zach Krug and Tim Dunn, COFCO; Grant Crowley, Crowley's Yacht Yard; and, Mike Brackin, NASCO.

Vice Chairman Fitzmaurice made a motion to suspend the order of the Board meeting and enter into the Leases and Agreements Committee meeting followed by the Finance and Personnel Committee meeting. The motion was seconded by Mr. Bowen, and the motion carried unanimously.

Due to the length of the Agenda and appreciating the time of the public attending the meeting, Vice Chairman Fitzmaurice made a motion to suspend the order of the Committee meetings to offer the public in attendance the opportunity speak prior to the start of the Committee and Board Meetings. The motion was seconded by Mr. Del Mar and the motion carried unanimously.

Public Comments were made at this time.

PUBLIC COMMENT

NASCO

Mr. Brackin asked the Board why the updated NASCO lease agreement for the warehouse spaces that were approved at the February Board Meeting have not been executed. Mr. Brackin indicated they have changed the length of the lease twice, at the Board's request, and both leases have been rejected. Mr. Brackin summarized the area NASCO occupies and NASCO's continued growth at the Port. He also summarized the rent NASCO pays, as well as the dockage and wharfage it pays, and noted all payments are paid on time. Mr. Brackin indicated NASCO's concern with the Master Lease being considered and its relationship with the Port going forward. Mr. Brackin asked what needs to be done to get this lease signed.

Chairman Forde indicated it would be discussed in Executive Session.

Chairman Forde inquired about the progress on the dock wall repairs. Mr. Brackin indicated they have repaired a 100 foot section of the wall as a test. The test was successful and NASCO is waiting for final reporting. Mr. Brackin reported NASCO has provided engineering reports as required in the Port/NASCO agreement. NASCO is awaiting an engineering report and once completed, will share this report with the Board.

Mr. Brackin reported NASCO is in compliance with the Prevailing Wage Act and required reports are filed.

COFCO

Tim Dunn of COFCO introduced himself. COFCO (acquired Nidera in 2017) has been a tenant at the Port for over 20 years. Mr. Dunn reported that its market has seen a move towards soybeans and due to changing business economics the market is favoring water transportation. COFCO would like to bring in soybeans to its grain elevators. The process would take approximately two weeks to complete and would involve removing the remaining wheat product and moving in soybean via barge. This would be a onetime project and COFCO hopes to have this done in mid-May to early-June. Mr. Dunn asked for the Board provide approval of this project.

Loop Capital

Alex Moore of Loop Capital introduced himself and is attending the meeting to speak for Jim Reynolds, the Chairman and Chief Executive Officer of Loop Capital who could not make the meeting. Mr. Moore thanked the Board for considering the Loop Capital Group for the Master Lease.

Mr. Moore reminded the Board that last year Loop Capital was chosen to be the Port's sole underwriter for the its debt refinancing. Mr. Moore indicated Loop Capital's continued interest and is prepared to move ahead with the refinancing if the Board chooses not to go forward with a Master Lease. Mr. Moore shared his opinion that the Port Authority is a bankable credit. He believes Loop Capital can find funding to refinance outstanding debt, fund any future capital improvements and make inroads on the Port's pension obligation, all at a cost that is affordable to the Port. Mr. Moore shared how his clients view credit risk and quality of investment in their portfolios, and when he weighs the risk and the improvement at the Port, including its leadership, its improvement in performance, and the strength in its balance sheet, he believes the Port Authority is a bankable name.

SUMMARY REPORT ON STANDING COMMITTEES

Committee Members Present:

Michael Forde
Paul Chialdikas
Chuck Bowen
Henry Wisniewski
Ray Suarez
Terry Fitzmaurice (via teleconference)

Others Present:

Clayton Harris III, Executive Director
William Habel
Terry Sullivan
Aaron Del Mar
Brad Smith, Neal & Leroy
Kurt Oelerich, Treasurer

LEASES AND AGREEMENTS COMMITTEE

The Leases and Agreements Committee was held on Tuesday, March 19, 2019.

EXECUTIVE SESSION

Chairman Forde made a motion to enter Executive Session to discuss: Clean Harbors, Tenant Update, Letter of Intent, Leases and Update on RFPs. The motion was seconded by Mr. Suarez and the motion carried unanimously.

Old Business

Clean Harbors Update - Executive Session
Vacant Land and Tenant Updates - Executive Session
Letter of Intent – Executive Session
Update of RFPs - Executive Session

Following discussion, Chairman Forde made a motion to exit Executive Session. The motion was seconded by Mr. Habel and the motion passed unanimously.

Letter of Intent to Lease Space at the Port

After discussion in Executive Session, the Committee recommended the Board approve Counsel Smith, Executive Director Harris III and Chairman Forde to begin negotiations with JLL regarding leasing 70+ acres of land at the Port and present to the Board at the April meeting.

Resolution for TIF/IGA Agreement

After discussion in Executive Session, the Committee recommended the Board approve the TIF/Intergovernmental Agreement Resolution relating to the Butler Dive road and rail project.

Sweet Mix Roof

After discussion in Executive Session, the Committee recommended the Board approve the Executive Director to collect information regarding needed repairs to the roof and potential cost.

Dockside Steel

After discussion in Executive Session, the Committee recommended the Board pursue forcible entry if Dockside Steel fails to pay its rent in full within the next five days.

Leases and Agreements Committee (continued)

New Business

FTZ Applications

Executive Director Harris III reported two FTZ applications have been submitted to the Board for approval. Both companies are in the storage and distribution business.

- 1) Morrison Express Corporation
- 2) Apex Logistics International

After discussion, the Committee recommended the Board approve the two FTZ applications.

Square Marsh Resolution

Executive Director Harris III reported Nature Conservancy is requesting access to Square March to allow measurement of wetlands and perform wildlife surveys.

After discussion, the Committee recommended the Board approve providing Nature Conservancy access to Square March for their stated purpose, however, all indemnification documents must be in place prior to access.

Executive Director Report

The Executive Director reported:

- The Solar Panel proposal with ARE/Patrick has been cancelled. The Executive Director will be exploring reissuing another RFP.
- He has received inquiries to lease approximately one acre of land and an additional inquiry to lease land for rail car storage. The Executive Director will report back to the Committee once more detail is provided.
- Cambridge Systems was chosen to develop a Master Plan for the Port.
- The Chicago Booth School Growth Plan for the Port was presented to the Board.

There being no further business, Chairman Forde closed the Leases and Agreements Committee and opened the Finance and Personnel Committee Meeting.

FINANCE AND PERSONNEL COMMITTEE
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The Finance and Personnel Committee was held on Tuesday, March 19, 2019.

Old Business

Monthly Financial Reports and Financial Update

Treasurer Oelerich presented the February 2019 financial reports for review. A number of points were noted and discussed, including:

- The February 2019 revenue fell above the budgeted amount. Revenue, year to date, falls above the budgeted amount.
- The February 2019 monthly total expense fell below the budgeted monthly amount.
- The February 2019 Net Income exceeded the budgeted amount. Net Income for the year is above the budgeted amount.

Following discussion, the Committee recommended approval of the February Financial Reports by the Board of Directors.

The Executive Director reported the final 2018 payment from Harborside has been received. The final payment for 2018 was \$93,000.

New Business

Executive Director Report

The Executive Director reported:

- He will be meeting with Senate President Cullerton regarding the Capital Bill.
- He will be meeting with legislators and the Traffic for Illinois Council to discuss capital projects at Ports and in Illinois.
- He will be speaking at Unions League Club: Environmental Committee.

There being no further business for the Finance and Personnel Committee, Chairman Forde closed the Finance and Personnel Committee and opened the Regular Board Meeting.

REGULAR BOARD MEETING

The following Directors were present: Michael Forde, Terry Sullivan, Charles Bowen, Ray Suarez, Henry Wisniewski, Paul Chialdikas, William Habel, and Aaron Del Mar. A quorum was present. Mr. Fitzmaurice and Mr. Sullivan were absent.

ADOPTION OF MINUTES –

Board Minutes February 15, 2019 and Special Board Meeting March 1, 2019

The Minutes of the February 15, 2019 Board Meeting were presented. Chairman Forde made a motion to approve the February Minutes. The motion was seconded by Mr. Suarez and the motion passed unanimously.

The Minutes of the March 1, 2019 Special Board Meeting were presented. Chairman Forde made a motion to approve the March Special Board Meeting Minutes. The motion was seconded by Mr. Suarez and the motion passed unanimously.

Leases and Agreements Committee Report – Items Requiring Action

Letter of Intent to Lease Space at the Port

Chairman Forde reported the Committee recommended the Board approve Counsel Smith, Executive Director Harris and Chairman Forde to begin negotiations with JLL regarding leasing +70 acres of land at the Port and present to the Board at the April meeting. Chairman Forde requested a motion, Mr. Suarez made the motion to begin negotiations with JLL. The motion was seconded by Mr. Bowen and the motion passed unanimously.

Resolution for TIF/IGA

Chairman Forde reported the Committee recommended the Board approve the TIF/Intergovernmental Agreement Resolution relating to the Butler Dive road and rail project. Chairman Forde made a motion to approve the Resolution, the motion was seconded by Mr. Bowen and the motion passed unanimously.

Sweet Mix Roof

Chairman Forde reported the Committee recommended the Board approve the Executive Director to collect information and provide an analysis regarding needed repairs to Shed 1's roof and potential cost. Chairman Forde made a motion to approve the Executive Director to conduct this analysis and report his findings to the Board. The motion was seconded by Mr. Habel and the motion passed unanimously.

Dockside Steel

Chairman Forde reported the Committee recommended the Board approve pursuing forcible entry if Dockside Steel fails to pay its rent in full within the next five days. Chairman Forde made a motion to pursue forcible entry if rent is not received. The motion was seconded by Mr. Chialdikas and the motion passed unanimously.

Leases and Agreements Committee Report – Items Requiring Action (continued)

FTZ Applications

Chairman Forde reported the Committee recommended the Board approve the following FTZ Applications:

- 1) Morrison Express Corporation
- 2) Apex Logistics International

Chairman Forde made a motion to approve the two FTZ applications. The motion was seconded by Mr. Chialdikas and the motion passed unanimously.

Square Marsh Resolution

Chairman Forde reported the Committee recommended the Board approve providing Nature Conservancy access to Square Marsh to allow measurement of wetlands and perform wildlife surveys. Access to Square Marsh is subject to having all indemnification documents submitted and approved. Chairman Forde made a motion to allow access, subject to indemnification documents. The motion was seconded by Mr. Bowen and the motion passed unanimously.

Finance and Personnel Committee Report – Items Requiring Action

Chairman Forde reported the Committee recommended the Board of Directors approve the February 2019 Financial Reports. Chairman Forde made a motion to approve the February 2019 Financial Reports. Mr. Bowen seconded the motion and the motion passed unanimously.

Executive Director Report

See Committee Minutes.

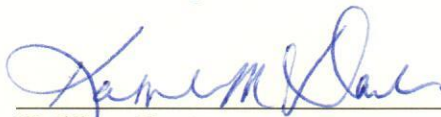
ADJOURNMENT

With no other business before the Board, Chairman Forde made a motion to adjourn. The motion was seconded by Mr. Suarez, and the motion passed unanimously.

The next Committee meetings and regular Board meeting will take place on Friday, April 19, 2019. The meetings will be held at 9:00 am at 3600 E. 95th Street, Chicago, IL.



Michael Forde
Chairman



Kathleen Dart
Secretary